

**Request for Proposal
RFP 2020-02**

Exhibit A: Information about the Plan

The State of Indiana Public Employees' Deferred Compensation and Matching Plans ("Plan") were established by and derive their statutory authority from Indiana Code 5-10-1-1.1 et seq. "The Auditor of State ("AOS") shall provide for the administration of the State employees' deferred compensation plan." IC 5-10-1.1-5(a). The five members of the Deferred Compensation Committee ("IDCC") must approve proposed investment offerings for the State employees' deferred compensation plan. IC 5-10-1.1-5(b).

The State of Indiana Public Employees' Deferred Compensation Plan is a deferred compensation plan subject to Section 457(b) of the Internal Revenue Code. Participants in the Plan include employees of the State of Indiana and employees of participating local government employers who have executed an agreement adopting the Plan for the benefit of their employees.

The State of Indiana Deferred Compensation Matching Plan is a tax-qualified retirement plan under Section 401(a) of the Internal Revenue Code. Participants in the Matching Plan include employees of the State of Indiana and employees of local governmental employers who have executed an agreement adopting the Matching Plan for the benefit of their employees. For legal purposes, the Matching Plan has been established as a "multiple employer" plan and was last submitted to the Internal Revenue Service for a favorable determination letter on February 1, 2016. The State of Indiana and each local participating employer who had adopted the Matching Plan as of February 1, 2016 received a favorable determination letter from the Internal Revenue Service as to the tax-qualified status of the Matching Plan on January 11, 2017.

While there are only two plans legally, the plans are record kept as four separate accounts – a 457(b) account for the State, a 457(b) account for the local participating employers, a 401(a) account for the State and a 401(a) account for the local participating employers. The description of the plans in this Exhibit A reflect that the plans are accounted for in this manner.

KEY PLAN STATISTICS:**Participant and Cash Flow Data Summary**

State Employee 457(b) Plan (98972-01)	YTD 6/30/20	2019	2018	2017
Participation Breakdown				
Total Active	29,105	26,596	22,787	20,007
Total Inactive	22,502	22,913	23,598	23,847
Total Accounts	51,607	49,509	46,385	43,854
Cash Flow				
Contributions – Pre-tax	\$29,597,850.91	\$54,556,699.06	\$49,800,158.56	\$44,331,277.04
Contributions - Roth	\$5,072,245.93	\$8,780,191.30	\$6,931,690.04	\$5,164,493.93
Rollover Contributions	\$5,325,447.79	\$12,117,740.46	\$9,867,481.15	\$9,850,174.85
Withdrawals	\$24,570,489.57	\$60,835,364.66	\$55,475,397.41	\$50,443,926.44
Net Cash Flow	\$15,425,055.06	\$14,619,266.16	\$11,123,932.34	\$8,902,019.38

State Employee 401(a) Plan (98972-02)	YTD 6/30/20	2019	2018	2017
Participation Breakdown				
Total Active	29,008	26,496	22,695	19,918
Total Inactive	22,420	22,861	23,413	23,484
Total Accounts	51,428	49,357	46,108	43,402
Cash Flow				
Contributions – Pre-tax	\$0.00	\$0.00	\$0.00	\$0.00
Contributions - Roth	\$0.00	\$0.00	\$0.00	\$0.00
Rollover Contributions	\$1,269.48	\$109,949.65	\$0.00	\$0.00
Contributions - Employer Match	\$5,926,593.26	\$10,916,701.96	\$10,603,982.12	\$10,369,038.75
Withdrawals	\$3,072,150.98	\$7,395,856.97	\$6,841,676.04	\$7,132,175.20
Net Cash Flow	\$2,855,711.76	\$3,630,794.64	\$3,762,306.08	\$3,236,863.55

Local Subdivision Employee 457(b) Plan (98972-03)				
	YTD 6/30/20	2019	2018	2017
Participation Breakdown				
Total Active	5,264	5,028	4,370	3,796
Total Inactive	1,494	1,623	1,864	2,036
Total Accounts	6,758	6,651	6,234	5,832
Cash Flow				
Contributions – Pre-tax	\$5,411,210.66	\$10,623,985.97	\$9,870,776.64	\$9,140,104.03
Contributions - Roth	\$1,385,691.97	\$2,238,114.96	\$1,592,114.52	\$846,035.37
Rollover Contributions	\$1,597,968.74	\$2,677,844.13	\$3,938,948.78	\$3,646,485.57
Withdrawals	\$7,580,663.50	\$15,241,619.63	\$15,241,619.63	\$13,195,526.24
Net Cash Flow	\$814,207.87	\$298,325.43	\$160,220.31	\$437,098.73

Local Subdivision Employee 401(a) Plan (98972-04)				
	YTD 6/30/20	2019	2018	2017
Participation Breakdown				
Total Active	1,513	1,336	885	618
Total Inactive	374	410	408	382
Total Accounts	1,887	1,746	1,293	1,000
Cash Flow				
Contributions – Pre-tax (plan to plan transfers from another provider)	\$18,020.25	\$129,974.13	\$0.00	\$0.00
Contributions - Roth	\$0.00	\$0.00	\$0.00	\$0.00
Rollover Contributions	\$74,927.97	\$881,510.06	\$0.00	\$0.00
Contributions - Employer Match	\$695,151.51	\$1,219,760.81	\$1,038,439.34	\$965,202.17
Withdrawals	\$272,772.31	\$647,533.42	\$510,392.74	\$304,024.96
Net Cash Flow	\$515,327.42	\$1,583,711.58	\$528,046.60	\$661,177.21

Participant Information as of June 30, 2020

Participant Information	State Employee Plans		Local Subdivision Employee Plans	
	457(b) (98972-01)	401(a) (98972-02)	457(b) (98972-03)	401(a) (98972-04)
Number of participants active and contributing	28,043	28,052	4,178	1,362
Number of participants active not contributing	1,062	952	561	151
Number of terminated participants w/balances	22,502	22,420	1,494	374
Number of terminated participants w/balances less than \$1,000	9,887	12,718	197	168
Number of participants suspended due to hardship	60	N/A	5	N/A
Total account balances - participants active and contributing	\$628,433,307	\$43,530,450	\$119,584,997	\$8,430,883
Total account balances - terminated participants w/balances	\$209,107,424	\$105,904,822	\$64,240,823	\$2,164,862
Total hardship account balance	\$887,794	N/A	\$91,815	N/A
Total account balances – participants with loans	N/A	N/A	N/A	N/A
Average account balance	\$20,338	\$3,062	\$32,031	\$6,400
Managed account balance	\$283,954,509	\$41,313,320	\$72,304,345	\$5,693,307
Managed account participants	8,821	8,458	3,242	998

Transaction Activity (Calendar Year 2019)

	State Employees 457(b) Plan (98972-01)	State Employees 401(a) Plan (98972-02)	Local Subdivision 457(b) Plan (98972-03)	Local Subdivision 401(a) Plan (98972-04)
Number of new participants	3,848	3,847	251	133
Number of new loans	N/A	N/A	N/A	N/A
Number of loans outstanding	N/A	N/A	N/A	N/A
Number of hardship/emergency withdrawals	605	N/A	38	N/A
Number of lump sum distributions	2,289	2,008	347	69
Number of recordkeeper IRAs opened	1	1	0	0
Number of minimum required distributions	643	192	111	5
Number of DROs	9	5	1	0
Number of rollovers <u>into</u> the Plan	761	646	174	35

Contributions/Cash-in (Calendar Year 2019)

	State Employees 457(b) Plan (98972-01)	State Employees 401(a) Plan (98972-02)	Local Subdivision 457(b) Plan (98972-03)	Local Subdivision 401(a) Plan (98972-04)
Employee Pre-tax (ex-catch-ups)	\$46,340,331.54	N/A	\$9,437,535.56	\$129,974.13
Age 50 and 3-year catch-ups	\$8,216,367.52	N/A	\$1,186,450.41	N/A
Roth	\$8,780,191.30	N/A	\$2,238,114.96	N/A
Employer match	N/A	\$10,916,701.96	N/A	\$1,219,760.81
Rollover Contributions	\$12,117,740.46	\$109,949.65	\$2,677,844.13	\$881,510.06
Loan Repayments	N/A	N/A	N/A	N/A

Withdrawals/Cash-out (Calendar Year 2019)

	State Employees 457(b) Plan (98972-01)	State Employees 401(a) Plan (98972-02)	Local Subdivision 457(b) Plan (98972-03)	Local Subdivision 401(a) Plan (98972-04)
Full lump sum distributions – cash (all amounts)	\$44,428,451.55	\$6,695,522.26	\$12,807,668.78	\$553,362.39
Partial lump sum distributions – cash (all amounts)	\$9,469,782.23	\$365,888.17	\$2,923,311.03	\$58,887.87
Lump sum distributions – rollover (all amounts)	\$37,113,836.23	\$3,444,739.57	\$11,560,329.65	\$290,130.82
Forced out De minimus (under \$1,000)*	0	0	0	0
Installment payments	\$6,937,130.88	\$334,446.54	\$1,362,043.38	\$35,283.16
Unforeseeable/Hardship withdrawals	\$1,049,821.00	N/A	\$105,837.74	N/A
In-service withdrawals ex-hardships	\$524,158.19	N/A	\$128,314.18	N/A
Loan withdrawals	N/A	N/A	N/A	N/A

* Provision in the Plan, but not implemented.

Total Number of Local and State Government Sub-Divisions (as of June 30, 2020):

98972-01 = 17

98972-03 = 311

PLAN SUMMARY

	State of Indiana Public Employees' Deferred Compensation and Matching Plans	
	State Employee Plans	Local Subdivision Employee Plans
	457(b)	401(a)
457(b)	401(a)	457(b)
401(a)		401(a)
Plan Year	January 1 - December 31	January 1 - December 31
Eligibility	Immediate, at date of hire.	Determined by local subdivision, as approved by Committee Secretary.
Periodic Member and Employer Contributions	<p>457(b) - Member contributions deducted from each bi-weekly pay and credited to the Administrator as soon as administratively possible, usually within 2 days. Minimum contribution of \$15.00 per pay period.</p> <p>Catch up contributions are permitted.</p> <p>Employees may elect to make Roth elective deferrals.</p> <p>Deferrals are by percentage and whole dollar amounts.</p> <p>401 (a) - Employer matching contribution equal to \$15.00 per bi-weekly pay period.</p>	<p>457(b) - Member contributions deducted from each pay period and credited to the Administrator as soon as administratively possible, usually within 2 to 15 days.</p> <p>Catch up contributions are permitted.</p> <p>Employees may elect to make Roth elective deferrals if authorized by the subdivision.</p> <p>Deferrals are by percentage and whole dollar amounts.</p> <p>401(a) - Employer matching contribution determined by local subdivision's adoption agreement, as approved by Committee Secretary.</p>
Auto Enroll and Auto Escalate	<p>457(b) – members are automatically enrolled at 2% of annual salary.</p> <p>Auto escalation at .5% on employee anniversary hire date up to 4.5% for 5 years unless participant makes change in contribution level</p> <p>30 day opt out period</p>	Not available
Rollover Contributions	Permitted.	Permitted.
Employee Investment Elections	Current minimum bi-weekly contribution of \$15.00.	Minimum bi-weekly contribution varies.
Transfer of account balances	Based on value of account as of the effective date.	Based on value of account as of the effective date.
Investments	Members may choose to invest their plan balance among the available investment funds.	Members may choose to invest their plan balance among the available investment funds.
Frequency of Valuation	Daily	Daily

	State of Indiana Public Employees' Deferred Compensation and Matching Plans	
	State Employee Plans 457(b) 401(a)	Local Subdivision Employee Plans 457(b) 401(a)
In-service Distributions	Voluntary: Account not exceed the amount specified under Code Section 411(a)(11) on the date of distribution, participant has not previously received an in-service distribution, and no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the in-service distribution. There are no involuntary cashouts of small account balances.	Voluntary: Account not exceed the amount specified under Code Section 411(a)(11) on the date of distribution, participant has not previously received an in-service distribution, and no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the in-service distribution. There are no involuntary cashouts of small account balances.
Loans	Not permitted.	Not permitted.
Vesting	All contributions and investment earnings are immediately 100% vested.	All 457(b) contributions and investment earnings are immediately 100% vested; 401(a) contributions as determined by local subdivision with approval of Committee Secretary.
Participant Statements	Quarterly.	Quarterly.
Termination/Retirement Distributions	Forms of distribution available: 1) Lump sum (default) 2) Periodic payments of a fixed sum or fixed duration 3) Life contingent annuities	Forms of distribution available: 1) Lump sum (default) 2) Periodic payments of a fixed sum or fixed duration 3) Life contingent annuities

CURRENT INVESTMENT OPTIONS

The investment options provided and the value of accounts invested in the Plan, as of June 30, 2020, are as follows:

Fund	Style	6/30/20 Market	% of Plan
		Value	Assets
State Street Target Retirement 2065	Target Date	\$228	0.0%
State Street Target Retirement 2060	Target Date	\$13,037,287	0.9%
State Street Target Retirement 2055	Target Date	\$9,855,334	0.7%
State Street Target Retirement 2050	Target Date	\$25,443,082	1.8%
State Street Target Retirement 2045	Target Date	\$36,692,089	2.6%
State Street Target Retirement 2040	Target Date	\$15,792,777	1.1%
State Street Target Retirement 2035	Target Date	\$37,871,251	2.6%
State Street Target Retirement 2030	Target Date	\$18,120,876	1.3%
State Street Target Retirement 2025	Target Date	\$48,036,546	3.3%
State Street Target Retirement 2020	Target Date	\$12,730,363	0.9%
State Street Target Retirement Income	Target Date	\$31,270,302	2.2%
<i>Total Target Date Funds:</i>		<i>\$248,850,132</i>	<i>17.4%</i>
State Street S&P 500 Index	Core Equity-Passive	\$110,945,948	7.7%
Vanguard FTSE Social Index	Core Equity-Passive SRI	\$57,175,981	4.0%
EB Dynamic Value	Large Cap Value	\$66,616,599	4.6%
T. Rowe Price Blue Chip Growth	Large Cap Growth	\$110,467,826	7.7%
MFS Mid Cap Value	Mid Cap Value	\$45,743,355	3.2%
Vanguard Capital Opportunity	Mid Cap Growth	\$100,704,400	7.0%
State Street Russell Small/ Mid Cap Index	SMID Broad	\$78,617,345	5.5%
Fidelity Low-Priced Stock	Specialty	\$17,413,471	1.2%
Fidelity Diversified International	Core International	\$71,794,891	5.0%
American Funds EuroPacific Growth	Core International	\$60,978,051	4.3%
Indiana Flexible Bond Fund	Unconstrained F/I	\$3,135,329	0.2%
State of Indiana Inflation-Linked Bond	TIPS	\$42,094,820	2.9%
PIMCO Total Return	Core Bond	\$78,000,089	5.4%
Indiana Stable Value Fund	Stable Value	\$341,497,503	23.8%
<i>Total Core & Specialty Options:</i>		<i>\$1,185,185,606</i>	<i>82.6%</i>
		\$1,434,035,739	100%

Note: Custom Options currently offered in the Plan are: Indiana Flexible Bond Fund, State of Indiana Inflation-Linked Bond Fund, and Indiana Stable Value Fund. Custom Options (or “white-labeled” funds) are specifically designed by the IDCC for the Plan’s participants. The portfolio construction of Custom Options is at the discretion of the IDCC. Current construction of the Custom Options and the responsibilities of the Respondent pertaining to the Custom Options can be found in the “Custom Options” section of this Exhibit.

AUTHORIZED INVESTMENT OPTIONS

Investment Option	Ticker or Vehicle	Style
State Street Target Retirement 2065	CIT	Target Date
State Street Target Retirement 2060	CIT	Target Date
State Street Target Retirement 2055	CIT	Target Date
State Street Target Retirement 2050	CIT	Target Date
State Street Target Retirement 2045	CIT	Target Date
State Street Target Retirement 2040	CIT	Target Date
State Street Target Retirement 2035	CIT	Target Date
State Street Target Retirement 2030	CIT	Target Date
State Street Target Retirement 2025	CIT	Target Date
State Street Target Retirement 2020	CIT	Target Date
State Street Target Retirement Income	CIT	Target Date
State Street S&P 500 Index	CIT	Core Equity-Passive
Vanguard FTSE Social Index	VFTNX	Core Equity-Passive SRI
EB Dynamic Value	CIT	Large Cap Value
T. Rowe Price Blue Chip Growth	CIT	Large Cap Growth
MFS Mid Cap Value	MVCKX	Mid Cap Value
Vanguard Capital Opportunity	VHCAX	Mid Cap Growth
State Street Russell Small/ Mid Cap Index	CIT	SMID Broad
Fidelity Low-Priced Stock	FLPSX	Specialty
Fidelity Diversified International	FKIDX	Core International
American Funds EuroPacific Growth	RERGX	Core International
Indiana Flexible Bond Fund	Custom*	Unconstrained F/I
State of Indiana Inflation-Linked Bond	Custom*	TIPS
PIMCO Total Return	PTTRX	Core Bond
Indiana Stable Value Fund	Custom*	Stable Value

*Custom Option details can be found below.

CUSTOM OPTIONS

The Respondent will create and administer the Custom Options for use by the Plan, in accordance with the allocation of each portfolio as set and approved by the Committee from time to time. The Committee has approved the following allocation for each Custom Option.

State of Indiana Inflation-Linked Bond Fund: 100% State Street U.S. Inflation Protected Bond Index (CIT).

Indiana Flexible Bond Fund: 50% Carillon Reams Unconstrained Bond (SUBTX)/50% PIMCO Dynamic Bond (PFIUX).

Indiana Stable Value Fund: 60% MetLife Core (Separate Account)/30% Fidelity MIP II (CIT)/10% Dreyfus Govt Cash Management (DGCXX). Wrap providers: 55% Transamerica and 45% Voya.

The Custom Option portfolios and accounting treatment thereof, with respect to the Plan, shall be as follows:

1. The Custom Options shall be created initially using the investment options and the allocation percentages mutually agreed upon by the Committee and Respondent. The Committee may change the investment options and/or allocation subject to Paragraph 5 below.
2. Accounting for the Custom Options will be reported each day the New York Stock Exchange is open on a “unitized” basis by dividing the market value of the Custom Option by the number of units, subject to the Procedural Requirements for the Committee’s Custom Options. The starting unit value, for each Custom Option, shall be the ending unit price of the previous Respondent or a unit price mutually agreeable, or any unit value selected by the Committee on the-date such funds are established under this document.
3. The Custom Options will be automatically rebalanced quarterly to bring the accounts back in line with the established percentages referred to above. Such rebalancing will be accomplished by the sale and purchase of the appropriate underlying investment options. The automatic rebalancing will be effected during each calendar quarter. Rebalancing is defined as the process required to maintain a predetermined allocation among the investment asset classes in each Custom Option as described above. During the quarter, underlying funds may perform differently, thus creating an “out of balance” according to the predetermined allocation among the individual investment funds that make up each Custom Option. MetLife will continue to have the responsibility of rebalancing the Indiana Stable Value Fund, while the Respondent will have the responsibility to rebalance the Indiana Flexible Bond Fund.
4. Participants will be able to monitor the unit value(s) on a day-to-day basis on the web site and voice response unit. The composition of each of the Custom Options will be included in communications material distributed to participants.

5. The composition of the above listed Custom Option may only be replaced upon a mutually agreeable timetable and replacement should not be done more frequently than annually, except in the event that special circumstances created by market conditions or plan changes dictate a replacement. The Committee shall notify Respondent at least sixty (60) days prior to replacement of any of the underlying funds or should a new asset class be added to the Custom Option or the allocation percentages change among the underlying funds.
6. In the event of an error in computation of a Custom Option's unit value, the pricing error shall be corrected by following the standards set forth by the Securities and Exchange Commission.